

## COUNCIL WORK SESSION MARCH 25, 2013

The work session of the Council of the Town of Altavista was held in the Council Chambers of the J.R. Burgess Municipal Building, 510 Seventh Street, on March 25, 2013 at 6:00 p.m.

### Council members

present: Mr. Mike Mattox  
Mrs. Beverley Dalton  
Mr. Tracy Emerson  
Mr. Bill Ferguson  
Mr. Timothy George  
Mr. Jay Higginbotham

### Council members

absent: Mr. Charles Edwards

### Also present:

Mr. J. Waverly Coggsdale, III, Town Manager  
Mr. Dan Witt, Assistant Town Manager  
Mrs. Tobie Shelton, Finance Director  
Mr. Steve Bond, Wastewater Treatment Plant Manager  
Mr. Chuck Cofflin, Water Treatment Plant Manger  
Mr. John Tomlin, Public Works Director  
Chief Clay Hamilton, Altavista Police Department  
Mrs. Mary Hall, Administration

Mayor Mattox welcomed everyone and advised the purpose of the meeting was to discuss the proposed FY2014 budget. Mayor Mattox called for any organizations receiving funds from the Town and would like to speak to come forward.

Mrs. Maria McCracken, Altavista Area YMCA, addressed Council thanking them for their partnership with the Altavista YMCA, partnering since 1971. The Town of Altavista supports the YMCA in areas of sports, childcare and aquatics.

Mrs. Patty Eller, Altavista Chamber of Commerce addressed Council and shared an article from a 1937 issue of the *Washington Herald* in which 50 new houses were built by the local chamber and the Public Works Authority, noting the Chamber has worked with the Town of Altavista for many, many years. She noted the Chamber has been able to give back to the community through programs and services; \$5,000 has been earmarked for the Economic Development marketing plan and \$5,000 for banners for the downtown area. She thanked Council for their continued support.

Mr. Mark Moss, Chief of Altavista EMS, addressed Council stating they handle 2,500 to 3,000 calls per year with 2012 exceeding those numbers. He stated the EMS is requesting funding for the purchase of a new ambulance noting they are also requesting support from Campbell County.

Mayor Mattox questioned the percentage of calls ran in Pittsylvania County and would EMS be seeking funding from them.

Mr. Moss responded it was a 50/50 split and advised they do receive monies from them and will be requesting funding from them as well.

Mayor Mattox questioned if there was a possibility that they would need less than \$10,000 if additional funding from the other jurisdictions are approved.

Mrs. Dalton questioned if the EMS has reserves.

Mr. Moss stated they do have reserves and currently with the expansion of service, the EMS is operating 24 hours so monies have been used there, as well as replacement of computers with I-pads and they are looking at future building expansion.

## COUNCIL WORK SESSION MARCH 25, 2013

Mr. Herb Miller, Director of Altavista on Track, addressed Council and thanked them for their support the last six years and asked Council if there were questions in regards to their presented budget. He noted Altavista on Track is expanding outside of the downtown business district.

Ms. Sandy Becton, Program Manager for Altavista Senior Friendship Club, thanked Council for their support and noted the group is appreciative of Council's support.

Mrs. Dalton questioned the number of seniors from the Altavista area that participate.

Ms. Becton responded there are 18 seniors.

Mr. Frank Murray, Director of Avoca Museum, addressed Council thanking them for supporting Avoca in the past and in the future noting the amount requested is the same as it was for the past three years.

### FY2014 Draft Budget Presentation/Discussion

Mr. Coggsdale advised tonight's meeting is to discuss the FY2014 Draft Budget. The FY 2014 Proposed Budget totals \$6,386,580 in all funds and includes no tax increase, a decrease of 33.1 percent from the FY2013 adopted budget amount of \$9,549,030. The budget does include a 5% increase to the Town's utility rates for FY2014. The General Fund budget has revenue of \$3,975,710 and expenditures of \$3,411,330 including capital improvement funding of \$275,400. This is an expenditure decrease of 36.5 percent from the FY2013 adopted General Fund Budget amount of \$5,375,830. A surplus of \$468,180 is anticipated in the General Fund for FY2014. The Enterprise Fund (Water and Sewer) budget has revenue of \$2,622,800 and expenditures of \$2,284,050, including capital improvements of \$261,000. This is an expenditure decrease of 34.5 percent from the FY 2013 adopted Enterprise Fund (Water and Sewer) Budget amount of \$3,488,600. A surplus of \$338,750 is anticipated in the Enterprise Fund for FY2014. Mr. Coggsdale pointed out that this is the first time in years that the Utility Fund has experienced a surplus. This surplus could be utilized to replenish the Enterprise Capital Improvement Fund as future projects are being considered. The Highway Fund (\$570,000) and the Cemetery Fund (\$56,200) make up the remaining budget amount.

Mr. Coggsdale thanked the department heads and Council for their efforts in preparing the budget. He noted again the General Fund Revenue decreased by over two million dollars with expenditures decreasing as well which relates back to ongoing projects. Overall the budget is in a decrease.

Mr. Coggsdale gave an overview of the FY2014 Budget.

Expenditures on the General Fund side, personnel increase a 2% cost of living adjustment for all employees. At this time health insurance is level funded at 2013 figures. The existing plan, Local Choice Key Advantage increases by \$53,676; a 13% increase. He noted staff is looking for quotes for a new healthcare plan. Mr. Coggsdale advised in regards to personnel one Police Officer position will be eliminated and an increase in the Police Department's percentage of a clerk that is shared with Administration.

Operations Budget-money was added for a Strategic Planning Retreat.

Mr. Higginbotham questioned the amount.

Mr. Coggsdale stated \$8,000 was allowed for this line item.

Mr. Coggsdale advised the proposed budget includes the removal of Council/Planning Commission from the Administration budget and giving them their own department. This would allow for tracking of costs associated with "elected" and "appointed" officials separately from the administrative function.

## COUNCIL WORK SESSION MARCH 25, 2013

### Administration:

Total amount of expenditures in Administration are \$716,900 compared to \$753,900 in FY2013. He added Administration and Council would need to be added together for a true comparison.

### Non-Departmental:

Mr. Coggsdale noted the agencies requesting funding are included in this section of the budget. He mentioned the \$6,000 line item for Avoca is for brick paver sidewalk replacement.

### Public Safety:

Total expenditures are \$966,680 down from an adopted FY2013 budget of \$997,830.

Mr. Higginbotham asked if quotes have been received on a new vehicle.

Mr. Coggsdale stated the budget is based on what is in the state contract.

Mr. Higginbotham asked if it had been determined that a new vehicle is needed in the Police Department.

Mayor Mattox stated the policy states Public Works determines if a vehicle needs to be replaced or worthy to be on the road another year.

Mr. Coggsdale noted over the past few years several vehicles have been dead lined and not replaced so the Police Department is behind in the vehicle replacement program.

Mrs. Dalton questioned how many vehicles are in service at the present time.

Mr. Higginbotham asked Mr. Tomlin what vehicles were determined needing replacement.

Mrs. Dalton asked how many vehicles need replacing and if this is a net increase?

Referred to later in the meeting.

### Public Works:

Total expenditures are 994,400 down from an adopted FY2013 budget of \$1,040,100.

Mr. Coggsdale stated the majority of the reduction is under the capital outlay, the other items are level funded.

Mr. Higginbotham noted the wages and benefits are up to \$100,000.

Mr. Coggsdale stated these could fluctuate depending if positions are filled or unfilled and additional information on the group insurance will be presented at the April 9<sup>th</sup> Council meeting.

Mr. Higginbotham questioned if it was fair to charge Train Station supplies to the Public Works budget.

Mr. Tomlin stated his department services the train station as well as the library.

Mr. Higginbotham questioned when items are sold, does the revenue go to that department.

Mr. Ferguson left the Chamber at 6:47 p.m. and returned at 6:48 p.m.

### Economic Development:

Total expenditures are \$262,720 an increase from an adopted FY2013 budget of \$106,700.

Mr. Coggsdale stated the increases are primarily in “Other Charges” where print advertising and marketing will occur.

Transit:

Total Expenditures are \$129,900 an increase from the adopted FY2013 Budget of \$111,600

Mr. Higginbotham questioned the \$20,200 in Materials and Supplies.

Mr. Coggsdale advised this amount includes overhead doors at Public Works.

Mr. Higginbotham questioned what the support vehicle would be for. He asked if this was a mechanic’s vehicle.

Mr. Coggsdale advised this vehicle would replace the pool car.

State Highway Reimbursement Fund:

Amount received from the Virginia Department of Transportation---Revenue of \$570,000. This is received in four installments throughout the year.

Enterprise Fund Revenue:

Shows the revenue proposed in FY2014 in the amount of \$2,622,800 which includes the 5% Utility increases.

Mr. Higginbotham asked if public input will be received on the utility rate increases.

Mr. Coggsdale advised there would be a public input session.

Water:

Total expenditures are \$1,190,275 a decrease from the adopted FY2013 Budget of \$1,462,600.

Mr. Coggsdale noted an unfilled position is budgeted and is shared between Water and Sewer.

Waste Water:

Total expenditures are \$1,432,525 a decrease from the adopted FY2013 Budget of \$2,026,000.

Mr. Coggsdale noted the majority of this budget is due to projects.

Cemetery:

Revenue of \$25,000 includes opening/closing graves and the sale of plots with \$31,200 worth of expenses.

Mr. Coggsdale referred to the Capital Improvement Program (CIP) noting it is a five year plan. He asked if there were questions on the CIP items.

Mayor Mattox asked Chief Hamilton to come to the podium to discuss the Police vehicles.

Chief Hamilton advised when he came to work for the Town in 2009, there were 12 police vehicles. Presently, the department has 10 vehicles; four are dedicated to police personnel with six general patrol vehicles.

Mr. Higginbotham questioned the dedicated vehicles.

## COUNCIL WORK SESSION MARCH 25, 2013

Chief Hamilton clarified one was for the Chief, Deputy Chief, Investigator and one is used as the K-9 unit.

Mr. Higginbotham asked what would be replaced.

Chief Hamilton stated the department is two vehicles down and this would not be a replacement.

Mr. Higginbotham asked that the motor vehicle insurance policy be examined because he felt it was outdated. He stated the Town is carrying comprehensive and collision on vehicles that are 7 to 10 years old. He noted a lot of companies are self-insured and asked how many times the Town has been paid on collision coverage.

Mrs. Shelton mentioned this insurance coverage is \$3,561 annually.

Mr. Higginbotham felt if this was banked, the Town could afford to buy a new vehicle every few years.

Mr. George asked if amount was for the older vehicles or everything.

Mrs. Shelton stated it was for all the vehicles.

Mrs. Dalton suggested the Finance Committee look back five years to see what benefit it has been to the Town.

Mr. Higginbotham questioned the two percent COLA adjustment and suggested giving employees a bonus instead of an "across the board" increase. He stated we are still trying to come out of a recession and felt a one percent increase would be appropriate.

Mr. Ferguson stated he is all for a two percent increase. These are good employees and the Town needs to keep these employees because good employees are hard to get. He noted Campbell County is giving a three percent increase and he felt the minimum should be two percent.

Mrs. Dalton asked what dollar value one percent represented.

Mrs. Shelton replied approximately \$20,000.

Mr. George asked if the Peer Analysis included salaries.

Mr. Coggsdale advised the Peer Analysis did not include that information.

Mr. Emerson stated the county is getting three percent but lost two percent earlier which will average out to one percent. He referred to giving bonus with VRS, every year that a person does not receive a raise; an employee is steadily set backwards when coming up with the last three years of retirement. Mr. Emerson suggested staying away from bonuses. He stated he was fine with the two percent increase.

Mr. Higginbotham stated the recession started in 2008 and everyone received a three percent increase and again in 2009, two percent in 2010 and 2011, zero percent raise in 2012 and a one percent raise in 2013.

Mayor Mattox stated most of the employees make \$30,000 to \$40,000 a year. During the recession there was a reduction in social security by two percent which was reinstated in January. The employees are making less money now than they have ever made. He stated staff has reduced the budget so the Town is spending less money than they ever have and this increase is factored into the budget. He felt somewhere along the line the employees have to be appreciated for the work they do.

Mr. Higginbotham replied this has nothing to do with not appreciating the employees but there is nine million dollars worth of infrastructure that needs to be taken care of. He stated part of the reason the budget is decreased is because debt has been paid off.

COUNCIL WORK SESSION MARCH 25, 2013

Mr. Higginbotham stated this increase will not differentiate between salary and hourly noting no company gives an “across the board” raise.

Mrs. Dalton stated she would prefer the two percent increase over the bonus. She did not feel two percent was excessive.

Mr. Higginbotham mentioned it was the taxpayers money that was being spent not Council’s personal money.

Mr. Higginbotham asked that the vehicles be discussed. He did not see buying three new vehicles. He asked what would happen to the vehicle that would be taken out of service.

Mrs. Dalton advised the Police Department is not replacing but this was a net “add” for them. The vehicle with 89,000 miles would be kept in service. Mrs. Dalton stated the three vehicles are for Transit, Economic Development and the Police Department. The vehicle for the Transit Department will replace the pool car. This vehicle would be partially funded through the Transit Program.

Mr. Higginbotham questioned the miles on the pool car.

Mr. Witt responded the pool vehicle is a 2003 Crown Victoria with approximately 116,000 miles.

Mr. Higginbotham questioned why the Economic Developer couldn’t drive the pool car.

Mr. Coggsdale stated it was all about policy and the decision would be up to Council.

Mr. Higginbotham stated every vehicle has to have more insurance and more gas. He did not feel every employee in Town needed a dedicated vehicle.

Mr. Coggsdale stated there are six dedicated vehicles; four in the Police Department, the Town Manager and the Public Works Director.

Mrs. Dalton asked what the current arrangement is for Mrs. Lucas.

Mrs. Lucas advised she drives her personal vehicle and is reimbursed mileage. She noted in her time with the Town she has used her personal vehicle to show clients the Town. She mentioned she has spoken with her counterparts and they do have SUVs ranging from Ford Explorers to Jeep Liberty. Typically these vehicles are used for showcasing the community.

Mr. George stated he could imagine several thousand dollars a year in gas reimbursement.

Mr. Higginbotham stated the real question is can the pool car also be used for the economic development director.

Mrs. Lucas stated she didn’t know the type of vehicle needed for the Transit Department but that she could work with that.

Mr. Higginbotham stated the only justification given for the Transit Department vehicle is Mr. Witt goes on trips and needs a vehicle.

Mr. Coggsdale added that it was a replacement for the pool vehicle.

Mr. Higginbotham stated this would be a vehicle that both could share.

Mr. Coggsdale stated this would come down to the availability of the vehicle.

Mr. Higginbotham felt if a client were coming in, Mr. Witt would agree that Economic Development would take precedence over that.

Mayor Mattox stated it is Council’s position to bring jobs to the Town of Altavista and Mrs. Lucas has been hired to bring jobs to Altavista. He felt Council could support her

by providing the things needed to get this done; a lot of time and money have been invested in economic development.

Mr. Higginbotham stated if one vehicle could not be managed between two employees.

Mrs. Dalton stated that is not all there is to it; it is the pool vehicle which means more people than just Mr. Witt would be using the vehicle.

It was consensus of Council to keep the vehicles in the budget.

Mr. Higginbotham stated if the Town has water/sewer revenue exceeding expenses, he did not see how Council could justify an increase. He noted there were three elements to it: water/sewer rates, water/sewer hookup charges and the fire vault. Mr. Higginbotham said the Town of Altavista has never charged an inspection fee for a business that has a vault servicing a sprinkler. He felt it was horrendous for Council to think about imposing that charge.

Mrs. Dalton stated the reason the Utility Fund is able to carry its own weight this year in a long time has to do with paying off the debt service. Mrs. Dalton stated she wished that was in the future; maintain and carry out the ten million dollars of infrastructure without incurring more debt. In terms of her fiduciary duties, Mrs. Dalton stated she believed having the utilities carry their own weight is something that needs to be done and Council needs to be plowing into a fund that will perpetuate it. She noted staff has brought forth these recommendations because the Committee is looking closely at what it cost to service and replace and read this equipment.

Mayor Mattox asked Mr. Higginbotham who would pay for these charges.

Mr. Higginbotham did not feel these charges would make Altavista competitive. He did not feel it was appropriate to charge the industries a flat fee each month for having the vault.

Mayor Mattox stated if these fees are not collected, they will have to come from somewhere else.

Mr. Higginbotham stated the fire vault is already installed. He said local industry would pay for it.

Mr. Tomlin advised Council the fire meters are industry standard fees; he stated he has done some research across the board, information that he has brought from Bedford and Lynchburg both charge these fees. He stated he and the Town Manager have worked on some plans of how they could put some things together. He stated the Town has leak detection meters only that are on the fire suppression systems in most of the industries. These meters do not measure the amount of water that goes through the lines. These meters indicate water moved through the lines; there is no means to measure how much goes through the meters. An industry could use 10,000 gallons through their fire suppression system and not be charged. These meters indicate there is movement but not volume; having a fee will affect the revenue.

Mr. Higginbotham asked how many 10,000 gallons were going through the meter.

Mr. Tomlin stated the one that came to their attention was at BGF because they could see a lot of movement through that line. BGF had tapped the fire suppression line and using the water.

Mr. Higginbotham asked why the Town did not send BGF a bill for taking water out of the fire suppression line.

Mr. Tomlin advised they are working with BGF to get a meter on the line. He noted the nursing home had a leak in their system with gallons of water running through. He stated we cannot accurately tell a business they owe us "x" amount of dollars without metering the water. The industry standard across the board is based on the size of the fire suppression and then there is a flat fee.

COUNCIL WORK SESSION MARCH 25, 2013

Mr. Higginbotham stated if I'm a good citizen and I have a sprinkler system and I have done nothing wrong, I'm going to be charged based on two other incidents that I had nothing to do with.

Mr. Coggsdale advised the Town is providing fire suppression and if there was a fire, the Town would not be charging for it.

Mr. Higginbotham asked if Council wanted to be business friendly, saying that is the bottom line. He thought Council needed a consensus that if water was detected going through the water suppression system then someone would sit down with the business and ask them to pay for it. This is the ratchet effect of government and once it's put in place, it will continue to increase.

It was consensus of Council to keep this item in the budget.

Mr. Higginbotham mentioned the water rates going up.

Mrs. Dalton mentioned a water fee analysis has been done and noted Campbell County and other communities were much higher.

Mr. Ferguson stated the Town was not charging an amount to cover the cost of these hookups.

It was the consensus of Council to keep these fees in the budget.

Mr. George mentioned a citizen has recommended advertising on the transit bus.

Mayor Mattox asked Mr. George if he would agree to help on the bus committee.

Mr. George agreed. He also mentioned a citizen is interested in contributing to the bus system and asked if this could be added to the water bill.

Mayor Mattox commended Council, staff and committees for their work on the proposed budget.

Mayor Mattox adjourned the meeting at 7:57 p.m.

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Michael E. Mattox, Mayor

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J. Waverly Coggsdale, Clerk